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Honorable Christopher M. Alston
Chapter 11
Hearing Location: Rm. 7206
Hearing Date: Friday, April 19, 2019
Hearing Time: 9:30 a.m.
Response Date: April 12, 2019

8 UNITED STATES BANKRUPTCY COURT
9 WESTERN DISTRICT OF WASHINGTON
10 AT SEATTLE

11 In re:

12 NORTHWEST TERRITORIAL MINT, LLC
13 Debtor.

Case No. 16-11767-CMA

REPLY IN SUPPORT OF MOTION TO
AUTHORIZE LIQUIDATION OF
SEIZED PROPERTY AND
DISTRIBUTION OF PROCEEDS TO
TRUSTEE

14
15 **I. REPLY**

16 Plaintiff and Judgment Creditor Mark Calvert as the Chapter 11 Trustee (the “Trustee”) of
17 Northwest Territorial Mint, LLC (“NWTM”) files this Reply in support of his Motion to Authorize
18 Liquidation of Seized Property and Distribution of Proceeds to Trustee [Dkt. No. 2044] (the
19 “Motion”). Ross Hansen and Diane Erdmann filed objections to the Motion. Ms. Erdmann’s
20 objection is largely a personal attack on the Trustee. Ms. Erdmann also identifies the majority of the
21 seized inventory that is the subject of the Motion as belonging to her. Mr. Hansen’s objection states
22 that the other items not claimed by Ms. Erdmann belong to him. Neither objection offers a legal
23 justification for denying the relief requested in the Motion and allowing the Trustee to execute on
24 Ms. Erdmann’s interest in the seized inventory.
25

REPLY IN SUPPORT OF MOTION TO AUTHORIZE
LIQUIDATION OF SEIZED PROPERTY AND DISTRIBUTION
OF PROCEEDS TO TRUSTEE - 1
502189949 v5

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The fact that Ms. Erdmann and Mr. Hansen have claimed an ownership interest in *all* of the items of seized inventory highlights that the property should be split between the Cohen Parties and the Trustee according to the terms of the agreed-upon settlement. The assertions of Mr. Hansen and Ms. Erdmann regarding the ownership of individual items, for various reasons, cannot be adopted wholesale by the Trustee, this Court, and the Cohen Parties. The pending settlement with the Cohen Parties avoids the need for a factual determination regarding which assets were owned by Ms. Erdmann (in which case they are subject to execution by the Trustee) and which assets were owned by Mr. Hansen (in which case they are subject to execution by the Cohen Parties).

The Trustee therefore respectfully requests that the Court grant the Motion and authorize him to liquidate the Seized Property and to distribute the proceeds of such liquidation to the bankruptcy estate and the Cohen Parties in accordance with the terms of the Cohen Settlement Agreement.

DATED this 16th day of April, 2019.

K&L GATES LLP

By: /s/ David C. Neu

Michael J. Gearin, WSBA # 20982

David C. Neu, WSBA#33143

Brian T. Peterson, WSBA #42088

Attorneys for Mark Calvert, Chapter 11 Trustee

1 **CERTIFICATE OF SERVICE**

2 The undersigned declares as follows:

3 That she is a paralegal in the law firm of K&L Gates LLP, and on April 16, 2019, she caused
4 the foregoing document to be filed electronically through the CM/ECF system which caused
5 Registered Participants to be served by electronic means, as fully reflected on the Notice of
6 Electronic Filing.

7 Also on April 16, 2019, she caused the foregoing document to be placed in the mail to the
8 Parties at the addresses listed below:

9 Diane Erdmann
10 PO Box 4024
11 Federal Way, WA 98063

12 Diane Erdmann
13 c/o Allen Lichtenstein
14 3315 Russell Road, No. 222
15 Las Vegas, NV 89120

16 Ross B. Hansen
17 PO Box 4024
18 Federal Way, WA 98063

19 I declare under penalty of perjury under the laws of the State of Washington and the United
20 States that the foregoing is true and correct.

21 Executed on the 16th day of April, 2019 at Seattle, Washington.

22 /s/ Denise A. Lentz
23 Denise A. Lentz
24
25